



6 DEC 1968

The Honorable George H. Mahon  
Chairman, Committee on Appropriations  
House of Representatives  
Washington, D. C. 20515

Dear Mr. Chairman:

This is to advise you that the Bureau of the Budget has approved of the withdrawal of [ ] from our Reserve for Contingencies for personnel pay increases during Fiscal Year 1969. In your letter of September 13, 1968, to Chairman Hayden of the Senate Appropriations Committee it was stipulated that "the Agency should absorb, out of operations or reserves as appropriate, the cost of the personnel pay increase for fiscal year 1969."

25X1

In addition to the Congressional reduction of [ ] from our budget request, we were required to achieve an additional [ ] in savings as a part of the Presidential economy program. We will therefore be unable to absorb pay increase costs out of funds appropriated for regular operations. In fact, it appears that it will be necessary to make further additional withdrawals from the Reserve for Contingencies to finance our programs in Southeast Asia during the remainder of Fiscal Year 1969.

25X1

I shall be happy to discuss this with you if you so desire.

Respectfully yours,

/s/ Richard Helms

O/PPB/[ ]:gmb (5 Dec 68)

Rewritten:ExDir:sbo (6 Dec 68)

Richard Helms  
Director

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6 DEC 1968

The Honorable Richard B. Russell  
Committee on Appropriations  
United States Senate  
Washington, D. C. 20510

Dear Senator Russell:

This is to advise you that the Bureau of the Budget has approved of the withdrawal of [ ] from our Reserve for Contingencies for personnel pay increases during Fiscal Year 1969. Chairman Hayden indicated in his letter of October 18, 1968, to the Director, Bureau of the Budget, that the Senate concurred in the House action which stipulated "the Agency should absorb, out of operations or reserves as appropriate, the cost of the personnel pay increase for fiscal year 1969."

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In addition to the Congressional reduction of [ ] from our budget request, we were required to achieve an additional [ ] in savings as a part of the Presidential economy program. We will therefore be unable to absorb pay increase costs out of funds appropriated for regular operations. In fact, it appears that it will be necessary to make further additional withdrawals from the Reserve for Contingencies to finance our programs in Southeast Asia during the remainder of Fiscal Year 1969.

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